Supreme Court, U. S.
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MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

No. 72-57

SHELCO, INC. AND THE SHELCO COMPANY,
Petitioners,

vs.

THE DOW CHEMICAL COMPANY AND
HARRY G. SCHIERHOLZ & CO.,
Respondents.

SHELCO, INC. AND THE SHELCO COMPANY,
Petitioners,

vs.

BOYLE-MIDWAY, INC., AND
AMERICAN HOME PRODUCTS CORPORATION,
Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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ROBERT O. LAW PRINTING COMPANY, CHICAGO

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Respondents, Boyle-Midway, Inc. and American Home Products Corporation, oppose the petition for writ of certiorari to the United States Court of Appeals for the Seventh Circuit.

ARGUMENT.

This case involves a patent which has been held by concurrent findings of the district court and the Court of Appeals to be invalid on grounds of anticipation (35 U.S.C. § 102), obviousness (35 U.S.C. § 103), indefiniteness (35 U.S.C. § 112), and foreign filing without a proper license to do so (35 U.S.C. § § 184 and 185). In addition, fraud and bad faith by the patentee and his assignee have been found.

Three questions are presented by petitioner, and each is factual in character, requiring this Court's review of the evidence below. None of the questions involve special and important reasons for review on writ of certiorari, as required by Sup. Ct. R19(1).

Concurrent findings of the district court and the Court of Appeals have held that the patentee's fraud upon the Patent Office[1] was known to, or should have been known by, his assignee, the petitioner here.[2] Accordingly, the lawsuit to enforce the patent procured by such fraud was held to have been brought in bad faith because both the patentee and his assignee, Shelco, Inc. "knew or reasonably should have known that the patent was invalid."[3] Petitioner tacitly acknowledges the fraud of the patentee in procuring the patent, but Questions 1 and 2 seek to divorce the patent from its fraud and to escape the imputation of that knowledge to the assignee thereof, despite the supporting trial evidence and its review below by the Court of Appeals.

Petitioner gratuitously asserts that these Questions have wide import because the patent bar will "inundate the Patent Office with . . . trivial or immaterial information" (Petition, p. 11), presumably to evade the imputation of fraud. Yet, the

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[1] FF 168-193, App. p. 76a-85a; App. p. 9a-10a.

[2] FF 31, fn. 1, App. p. 36a; FF 186, App. p. 83a; FF 194, App. p. 85a.

[3] Opinion of Court of Appeals, Appendix to Petition, p. 10a.

stimulation of full disclosure with frankness and candor of all of the information held by an applicant for patent, which as was held here below, *he deems to be relevant to patentability*, can only be in harmony with the prior decisions of this Court defining the high and fiduciary standard of conduct owed by an applicant to the Patent Office.[4]

The courts below held that the patentee *deliberately* withheld information from the patent examiner, and *deliberately* misrepresented facts to the patent examiner, which were relevant to the application.[5] If the exposure of such misconduct is only now "fashionable" in patent litigation, it is long overdue. If the consequence of revealing and condemning fraud is to "inundate" the Patent Office with the information held by an applicant and deemed by him to be relevent to the very representations being made by him to induce the grant of a patent monopoly, then such disclosures are long overdue.

Petitioner misstates the issue and the facts as to additional Question 3. The application filed in the United States was for a first purported invention, and a license was procured to file

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[4] Kingsland v. Dorsey, 338 U.S. 318, 70 S.Ct. 123 (1949), and Precision Instrument Mfg. Co. v. Automotive Maintenance Machinery Co., 324 U.S. 806, 65 S.Ct. 993 (1945).

[5] Perry deliberately withheld critical information from the Patent Office. FF 180, 187-193, App. p. 80a, 83a-85a.

Perry deliberately misrepresented critical facts to the Patent Office. FF 28-31, App. 33a-36a; FF 20 and 180, App. p. 29a and 80a.

Perry derived his purported claimed invention from others. FF 13, 17, App. p. 27a, 28a; FF 73-78 and 81, App. p. 49a-51a; FF 179, 184, App. p. 80a, 82a.

Perry importuned a witness not to testify during pretrial discovery. FF 178, App. p. 79a-80a.

Perry made direct misrepresentations under oath in the lower court proceedings. FF 31, fn. 1 and FF 186, App. p. 36a and 83a.

corresponding applications *for that same invention* in foreign countries. The applications thereafter filed in foreign countries were, by reason of a new relationship between the original disclosure and new claims, directed to *a second and different purported invention.*[6] Based on Findings 166 and 167, the district court and the Court of Appeals held the license procured for the first invention inapplicable for the filing of foreign cases on the antithetically different second invention, just as in *Beckman Instruments, Inc.* v. *Coleman Instruments, Inc.*, 338 F.2d 573 (7 Cir. 1964).[7]

The Court of Appeals did not hold, as petitioner incorrectly contends, "that the slightest change in wording in the filing of the foreign application . . . is a violation of § 184." (Petition, p. 13.) Question 3 is not substantial, and arises solely by reason of petitioner's misinterpretation of the purely factual matters involved.

There is no unusual or compelling importance to petitioner's questions.

> "Where the questions presented by the contested claims of infringement and validity are purely factual, this Court ordinarily accepts the concurrent conclusions of the district court and Circuit Court of Appeals in these cases." *Universal Oil Products Co.* v. *Globe Oil & Refining Co.*, 322 U.S. 471, 473, 64 S.Ct. 1110, 1111 (1944).

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[6] FF 31, fn. 1, App. p.36a.

[7] Rule followed in Minnesota Mining and Manufacturing Company v. Norton Company, 240 F. Supp. 150, 152 (N.D. Ohio, 1965), rev. on other grounds 366 F.2d 238, (6 Cir. 1966), cert. den. 385 U.S. 1005, and Thermovac Industries Corp. v. Virtis Co., 285 F. Supp. 113 (S.D. N.Y. 1968).

Such questions are inappropriate for review upon a petition for writ of certiorari in patent cases of concurrent findings below.

> "A court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional showing of error." *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.*, 336 U.S. 271, 275, 69 S.Ct. 535, 538 (1949), adhered to on rehearing, 339 U.S. 605.[8]

Petitioner merely seeks yet another hearing upon adverse findings based on complex chemical evidence. Petitioner presents no question of obvious and exceptional error, no substantial question of denial of due process, and no question of unusual or compelling public importance.

> "The jurisdiction to bring up cases by certiorari from the Circuit Courts of Appeals was given for two purposes, first to secure uniformity of decision between those courts in the nine circuits, and second, to bring up cases involving questions of importance which it is in the public interest to have decided by this court of last resort. The jurisdiction was not conferred upon this court merely to give the defeated party in the Circuit Court of Appeals another hearing." *Magnum Import Co.* v. *Coty*, 262 U.S. 159, 163, 43 S.Ct. 531, 532 (1923).

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[8] A number of the Findings disputed now by petitioner are heavily dependent upon expert testimony on chemical matters, and the credibility of the patentee was not accepted (FF 157-165 and 178, App. p. 73a-76a and 79a-80a). "When, as here, resolution of the disputed factual issues turns largely on an assessment of the relative credibility of witnesses whose testimonial demeanor was observed only by the trial court, the rule has particular force." Berenyi v. District Director, Imm. & Nat. Serv., 385 U.S. 630, 636, 87 S.Ct. 666, 670 (1966).

CONCLUSION.

The Petition should be denied for failure to present any question appropriate to the granting of a petition for writ of certiorari, as required under Rule 19 of this Court and as required by the long history of self restraint by the Court in limiting its reviews to "only those cases which present questions whose resolution will have immediate importance far beyond the particular facts and parties involved." [Address of Chief Justice Vinson before the American Bar Association, 69 S.Ct. V, VI (1949).] The Petition should be denied.

Respectfully,

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